

To the Honorable Council City of Norfolk, Virginia

April 9, 2019

From:

Eric Tucker, Acting Director

Office of Real Estate

Subject: Third Amendment to Lease to reduce rent due to the City of Norfolk for property at 400 Granby Street, North

Suite B

Reviewed:

Wynter C. Benda, Chief Deputy City Manager

Ward/Superward: 2/6

Approved:

Douglas L. Smith, City Manager

Item Number:

R-12

I. <u>Recommendation:</u> Adopt Ordinance

II. Applicant: The Muddy Paw Grooming and Retail Store, LLC

400 Granby Street, Suite B

Norfolk, VA 23510

III. Description:

This agenda item is an ordinance to approve a third amendment to lease between the City of Norfolk (the "City") and The Muddy Paw Grooming and Retail Store, LLC ("Muddy Paw") for property located at 400 Granby Street, North Suite B.

IV. Analysis

- The proposed Third Amendment to Lease will reduce rent due to the City during the remainder of the term of the lease.
- The lease is terminated in accordance with its terms as of June 14, 2019.
- This reduction in rent will provide financial assistance to Muddy Paw until the lease termination date of June 14, 2019.

V. Financial Impact

The base rent commencing April 1, 2019 and continuing until the termination date, June 14, 2019, shall be \$0.00.

VI. Environmental

There are no known environmental issues associated with this property.

VII. Community Outreach/Notification

Public notification for this agenda item was conducted through the City's agenda notification process.

VIII. Board/Commission Action

N/A

IX. Coordination/Outreach

This letter and ordinance have been coordinated with the Office of Real Estate and The City Attorney's Office.

Supporting Material from the Office of Real Estate:

- Proposed Third Amendment to Lease
- Map of Area

3/22/2019MR

Form and Correctness Approved:

Office of the City Attorney

Contents Approved:

Office of Real Estate

NORFOLK, VIRGINIA

ORDINANCE No.

AN ORDINANCE APPROVING A THIRD AMENDMENT TO LEASE BETWEEN THE CITY OF NORFOLK, AS LANDLORD, AND THE MUDDY PAW GROOMING AND RETAIL STORE, LLC, AS TENANT, SO AS TO REDUCE THE RENT DUE TO THE CITY DURING THE REMAINDER OF THE TERM AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE THIRD AMENDMENT TO LEASE ON BEHALF OF THE CITY OF NORFOLK.

BE IT ORDAINED by the Council of the City of Norfolk:

Section 1:- That the Third Amendment to Lease between the City of Norfolk ("Landlord") and The Muddy Paw Grooming and Retail Store, LLC ("Tenant"), a copy of which is attached hereto as $\underline{\text{Exhibit A}}$, is hereby approved.

Section 2:- That the City Manager and other proper officers of the City are authorized to execute the Third Amendment to Lease for and on behalf of the City, and to do all things necessary and proper to carry out its terms.

Section 3:- That this ordinance shall be in effect from and after the date of its adoption.

THIRD AMENDMENT TO LEASE

(Suite North B – Granby Municipal Building)

THIS THIRD AMENDMENT TO LEASE is entered into as of the ____ day of ______, 2019, by and between the CITY OF NORFOLK, a municipal corporation of the Commonwealth of Virginia ("Landlord"), and THE MUDDY PAW GROOMING AND RETAIL STORE, LLC a Virginia limited liability company ("Tenant").

WITNESSETH:

WHEREAS, Landlord and Tenant entered into that certain Lease Agreement dated December 14, 2015, as amended by that certain Amendment to Lease dated March 23, 2016, and that certain Second Amendment to Lease dated November 26, 2018 (collectively, the "Lease") for premises known as North B in the Granby Municipal Building located at 400 Granby Street in the City of Norfolk;

WHEREAS, Landlord and Tenant desire to amend the lease in accordance with the terms and conditions set forth herein.

AGREEMENT:

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows

- 1. <u>Termination</u>. The Lease is terminated in accordance with its terms as of June 14, 2019 (the "Termination Date").
- 2. <u>Base Rent</u>. The first sentence of Section 2.2 of the lease is deleted in its entirety and the following is inserted in its stead:

"Base Rent during the third Lease Year shall be Twenty-Four Thousand Seven Hundred and 00/100 Dollars (\$24,700.00) annually (\$2,058.33 per month), except that Base Rent, commencing as of April 1, 2019 and continuing until the Termination Date, shall be \$0.00. Tenant shall continue to pay all other amounts due under this Lease in accordance with the terms set forth herein."

3. <u>Modification</u>. Except as expressly modified hereby, all terms and conditions of the Lease shall remain in full force and effect.

[SIGNATURE PAGES TO FOLLOW]

[SIGNATURE PAGE OF THIRD AMENDMENT TO LEASE (City of Norfolk – The Muddy Paw Grooming and Retail Store, LLC)]

WITNESS the following sign	gnatures and seals:
	LANDLORD:
	CITY OF NORFOLK, a municipal corporation of the Commonwealth of Virginia
	By: Name: Douglas L. Smith Title: City Manager
Attest:	
City Clerk	
Approved as to content:	
Acting Director of Real Estate	
Approved as to form and correctness:	
Assistant City Attorney	

[SIGNATURES CONTINUE ON NEXT PAGE]

